

**MINUTES OF THE MEETING OF THE
WEST LAFAYETTE REDEVELOPMENT COMMISSION
February 16, 2007
*Amended***

At 11:00 a.m., prior to the scheduled meeting at Morton Community Center, Room 211, Andy Kingma of Fleischhauer Rentals gave the Commission members an explanation of the Chauncey Square Project which was visible from the windows of the meeting room. Mr. Kingma explained the progress to date and the anticipated completion schedule of Phase I of the project. Tom Gall of T. J. Gall & Associates spoke about the utility progress and planned coordination schedule of improvements. Blueprints were available for examination by those present and floor plans and brochures were distributed (*copies of which are attached to the minutes*).

A meeting of the West Lafayette Redevelopment Commission ("Commission") was held at Morton Community Center in the City of west Lafayette, Indiana ("City") on February 16, 2007 at the hour of 12:00 p.m. (local time), pursuant to notice given in accordance with the rules of the Commission and the Indiana Open Door Law.

The Commission Members were present or absent as stated:

Present: Stephen Belter, Earle Nay, Lawrence Oates, Diane Damico, Patsy Hoyer

Absent: None

A majority of the Commission members being present, Stephen E. Belter, the President, presided, and Lawrence T. Oates, the Secretary, kept the minutes of the meeting.

Also in attendance: Mayor Jan Mills, Clerk -Treasurer Judy Rhodes, City Attorney Bob Bauman, City Engineer Dave Buck, Fire Chief Phil Drew, Director of Development Josh Andrew, Beverly Shaw, Charlotte Martin, and Deborah Kervin of the Department of Development, City Council members Patti O'Callaghan and Ann Hunt, Tom Gall of T. J. Gall & Associates, Andrew Kingma of Fleischhauer Rentals, Richard Treptow of Umbaugh and Associates and citizens and members of the media.

Mr. Belter asked were all the appropriate notices posted and/or mailed? Ms. Kervin answered yes.

OLD BUSINESS

Mr. Nay made a motion to approve the January 22, 2007 minutes. Ms. Damico seconded. Mr. Belter said I was impressed by the length and detail. Mr. Nay said I was

very pleased, I didn't get to the last meeting, unfortunately I expected much smaller minutes... I did finish reading them this morning. They were very good, thank you. Mr. Belter said on page 13, second paragraph, I don't think we need the apostrophe. Ms. Hoyer also made a correction to the minutes. Mr. Belter asked if there were any other corrections. Hearing none, the minutes were approved as corrected and the motion passed unanimously 4-0.

NEW BUSINESS

Mr. Belter said the first item of new business is the authorization of the trustee to pay claims. Mr. Nay made a motion to approve the authorization of the trustee to pay claims. Mr. Oates seconded. Mr. Belter said Josh (Andrew, Director of Development) or Dave (Dave Buck), you have approved the payment to Mr. Gall? Mr. Buck said yes.

Mr. Belter said Tom or Dave, do you want to bring us up to date on any of the projects that weren't covered looking out the window? (*referring to the Chauncey Square Project that was explained earlier*). Mr. Buck said there really hasn't been any work going on on Tapawingo South. We're pretty much idle, there was a day or two before we got any snow that the signal company was doing some wire pulls and things, but they've since left and we will start back up when the weather will allow. That's it for Tapawingo.

Tom Gall said the status on the garage really hasn't changed. It's been cold. The submittals have been approved and we'll start that as soon as things warm up. Mr. Belter asked if there was any other discussion. There was none. The motion to approve the payment of claims passed unanimously 4-0.

Mr. Belter stated the next item of business is **Resolution RC 2007-4**.

Ms. Martin (Charlotte Martin, Department of Development) said you had asked for a project list to show what we anticipated would be expended, at least in this Levee/Village TIF. The projection is that this will be the last Levee/Village request until after the new funds come in and at that time there will be a couple of projects that will be up for additional appropriations. The rest of the TIF districts are also listed on this list. Each of you have a copy and you should have received the TIF balances.

Mr. Belter said in this TIF district, judging by income from last year, we'd be looking at somewhere between \$625,000 and \$800,000 in each of two draws; one in June and one in December. Ms. Martin said right, that is what we anticipate and then the trustee will be taking approximately \$300,000 for the Bond payment. So, that will leave somewhere between \$300,000 and \$500,000 to finish the year. Mr. Oates said that's in the Levee TIF district? Ms. Martin said yes, and currently you have \$454,000 yet to be appropriated. This resolution asks for \$410,000.

Mr. Oates said so, the TIF Project List is all the projects that have been done or the projects that are outstanding. Ms. Martin answered the status shows you the projects

that have already been appropriated for 2007 and the one that I highlighted (Salisbury Street Utility Separation and Streetscape Improvements) is the proposed appropriation that we're asking for in this particular resolution, \$410,000. The ones that just have 2007 are possible projects for the rest of the year in each of the districts. The main concern, I would assume, at this meeting, would be the Levee/Village and there are two projects that are on the list for the rest of the year and those will be done after the June increments arrive. Mr. Oates said I just want to make sure I understand, Charlotte, in my own mind there is some confusion here as to what's going on. When I look at the TIF balances for the Levee/Village TIF, I'm seeing that our Cash Balance as of February 14 is \$1.6M and I see our Cash Appropriated/Not Encumbered or Paid of \$565,000. Ms. Martin said right. Mr. Oates continued with what on our Project List consists of that \$565,000? Ms. Martin said actually, the Tapawingo South—there are no encumbrances against that, nor are there any encumbrances for a fire engine at this point. So those will be encumbered when they're ready for encumbering. Mr. Oates said but that's what that \$565,000 is? Ms. Martin said right. Mr. Oates said now that \$663,000 (*rounded*) appropriated is cash that's appropriated and encumbered? Ms. Martin said that's past 2005 and 2006 projects that have items encumbered against them and they came in January 1, with that balance. Mr. Oates said we're looking at currently a surplus of what's left after that \$454,000; we expect another \$500,000 in surplus funds after the bonds have been paid. Ms. Martin said we're between \$300,000 and \$500,000. Mr. Oates said okay, and the \$606,000 on your TIF Project list for the Garage (Wabash Landing Parking Garage) bonds, those are the bonds we're talking about getting paid, is that correct? Ms. Martin said yes. Mr. Oates said so what we would have left after that, we're looking at \$410,000 potentially for the utility separation. Ms. Martin said correct. Mr. Oates continued with and then potentially we have another \$350,000 in projects also. Ms. Martin said right. Mr. Oates said thank you.

Ms. Damico said we talked last month about what type of things that we are responsible for maintaining. We didn't really get answers about that. I don't know who would answer that. Mr. Belter said actually that's that \$150,000 that's right under the \$410,000 (referring to the TIF Project List). That's for the garage maintenance, and that's the only thing we have responsibility to maintain. Ms. Hoyer said anything else would be reviewed on a case-by-case basis. Mr. Bauman said there are some pieces that are parts of different parks and trails that are being maintained by the Parks Department.

Mr. Oates said thank you for your input on this, Charlotte. I think it's really important for us to know and see exactly where this money is and where it's going; especially in the Levee district right now because with the balances that we're given and because of the loads that we're putting upon that district right now with some of the expenditures. Thanks for that clarification.

Mr. Belter said Tom, you talked about this during the site tour, but for the purposes of this meeting, would you again summarize what we expect the \$410,000 to include for the utilities? Mr. Gall said one thing that I want to be clear that it *doesn't* include is the actual storm and sanitary separation project. What is included in that is the work to provide curbs, gutters, sidewalks and trees and landscaping in most of the block

that surrounds the Fleischhauer Chauncey Square Project except a portion of South and Salisbury where they won't be done. It also includes curb, gutter and sidewalk from Columbia to State Street on both sides, again excepting a small section along Salisbury where the second portion of the Fleischhauer Project won't be done until October 8th.

Mr. Belter said your expectation is that the majority of that \$410,000 will be spent in 2007? Mr. Gall said my expectation is that it will be spent and the work will be done. In 2008, we will deal with the balance of the sidewalk, curb and gutter work and then come around for that phase of the project. What's not being put before you is the resurfacing. These are all streets that are coming up in the resurfacing program. The roads that we have not resurfaced—a library and a garage were being built; a number of other things have been going on in the last couple of years and that's the reason, I think. They would have resurfaced, but particularly with this project coming on the tail of all that development. Now those will be coming up, and with other funds, will need resurfacing as well. We're, in effect, redeveloping this entire section of the Village.

Mr. Gall added I might note, it's been a long time since anybody's thought about it—I know Andy (Andy Kingma, Fleischhauer Rentals) is not here and hopefully he'll be okay with me sharing this, the developer's investment in this project is approximately \$23M. We're investing in a project that is putting that kind of value back into the City.

Mr. Nay said that brings up my question. We're looking at the balances, we're looking at the costs, when are we going to get any kind of an idea of what these new projects—the K-Mart Swiss Project, the Fleischhauer Project, what impact they will have on the TIF districts? Is there any anticipated time that some of that analysis will come through? Mr. Andrew said we can do that, we can show those numbers. At this point, I don't have a good feel for Swiss (Frank Swiss Development) because he has a number of variables, such as tenants. We can run the numbers on the Fleischhauer Project, though. Mayor Mills said do you know what's residential rental and what's retail for the Fleischhauer Project? That would be very helpful for that TIF to have that income. Mr. Nay said I think for the Levee, it's important. There's been continued development here that's in the district. Mayor Mills said and we're counting on it to replenish these TIF dollars pretty quickly with all the development that's been happening.

Mr. Bauman said there's also been several smaller residential projects and those will increase it. Mr. Buck added residential and commercial—you've got O'Brien's, Cap & Gino's across the street, Puccini's—I don't know when the last numbers were run, but just since I've been with the city, there's a dozen at least, that I can probably name off the top of my head—State Street Towers, River Market, Michael Lin's project, south of that is the residential development multi-story with a number of town houses and units in it, the Villas on Pierce Street. Mr. Nay said development has been happening. Mr. Buck responded with it sure has.

Mr. Bauman said and that not only adds assessed values. Some of those projects have added significant amenities and some of the residential projects have allowed us to have a housing product that is a significant improvement from a fire safety standpoint.

Mr. Gall said I'd like to point out that we started on Village sidewalk and streetscape work a number of years ago and it's progressed its way through the Village. These are curbs and gutters that are worn out, that need to be replaced and sidewalks that are worn out and need to be replaced. This is work that was going to need to happen one way or another. Now, you're able to come in and assist with TIF dollars to help make this \$23M development happen at the same time. The separation of the storm and sanitary sewer that's happening as a result of this will benefit us way down the line.

Ms. Martin said the county has March 1st as a deadline for the new assessment and that is a trigger date for us to realize how much the assessments were from last year as far as the county is concerned. Mr. Belter asked Bob (Bauman, City Attorney), there will not be any tax abatement associated with this project? Mr. Bauman answered no.

Mr. Belter said Dick, (Richard Treptow, Umbaugh & Associates) you probably know what a \$23M investment would be assessed at. Mr. Treptow answered it's a matter of dividing how much is residential and commercial and determining what qualifies as capturable. You'll be given that list whenever you need it. Mr. Belter said either you or Judy (Rhodes, Clerk-Treasurer) would know off the top of your head what the tax rate is? Mr. Treptow said one of the things that's happening is ...Ms. Rhodes said lower than last year. Ms. Rhodes said did you want the overall for the district? Mr. Belter said yes. Ms. Rhodes said the City tax rate is down. It's actually down about 4 or 5%. I don't know; I haven't seen it published yet, the tax rate for that taxing district. Mr. Belter said it's in the neighborhood of \$2 though? *(Due to the poor recording environment, Ms. Rhodes response could not be heard.)* Mr. Belter said I'm not talking about the city rate. I'm talking about a bill that Bill Fleischhauer is going to get for his property taxes. Ms. Rhodes said I don't know. Ms. Rhodes said they just approved the county tax rate but we haven't seen the entire rate in that jurisdiction for that. Mr. Treptow said I was wondering did you get some indication from the State or from the county as to the tax rates coming down 4 or 5%? Ms. Rhodes said we have received the final budget order and I would imagine most of jurisdictions that would overlap with us will have the budget order from the auditor very soon. It should be published very soon.

Mr. Belter said would you take the \$24M round it down to \$20M as an assessed value, divide it by 100 and multiply it by the rate....Ms. Rhodes said I think you can't do that anymore because of the commercial apartment buildings are using income producing factors to adjust their assessment and that's being done across this TIF district, in fact heavily, and I believe that any investor would do the same. We just really have nothing comparable to get what the tax potentially is going to be. Mr. Treptow said this is the first year of a trending reassessment and because of that we are seeing that or some of us are experiencing a higher level of appeals than normal. You may arrive at an assessed value by trending growths. A trending tax payer will then appeal that and when a different method is used, for example as Judy was saying, an income approach, it creates a much different number. That's why we look at comparables.

Mr. Belter said I would suspect you'll have something other than a small tax bill for that. Mr. Treptow said I'm not sure; it would be a few hundred thousand dollars. Mr.

Andrew said it would add about \$300,000 - \$400,000 to the TIF. Mr. Belter said I would think that our investment would be repaid rather quickly.

Mr. Belter asked if there were any other questions or discussion from the Commission. There was none.

The Public Hearing was opened for Resolution RC 2007-4 which proposes the expenditure of \$410,000 for utility and streetscape improvements. Mr. Belter said are there any comments or questions from the public?

Councilor O'Callaghan said it's a great project and we're real excited about this and thanks to everybody involved for making it happen.

Mr. Belter asked if there were any other comments from the public. There were none. The Public Hearing was closed.

Mr. Oates said this is exactly the kind of project that we should be involved in. I think Earle (Nay) hit it on the head earlier that for a very, very small amount of money in the grand scheme of life, we're turning around a huge economic development for this area. When you take a look at the tax benefits and you take a look at the economic *activity* that's being created in this area of the City; where if you go back 10-15 years, *there* was not an economic *activity* done in this portion of the City. This is just huge as far as what's doing with the City of West Lafayette and I hope that we can be involved with things like this in the future.

Mr. Nay said this particular resolution on the sewers is legally mandated, very important, for the environmental reasons. It's a good use of the City's money to stay legal, help the environment and make sure that the infrastructure runs better because that new development will put tax on the old structure, I'm sure. Mr. Oates said when we talk about utility separation, we're not talking sewer here, right? Mr. Gall said yes, we are talking sewer. We are going to separate some storm and sanitary and they'll come back together right at State Street until such time that the project can be done to separate them out at State Street. They're actually taking a piece of combined sewer and getting it separated. Mr. Nay said at a time when it's already torn up anyway, and it's already a traffic hazard, so it's a good thing.

The motion passed unanimously 4-0.

The next item of business was the Bond Issue and Location of Fire Station No. 3.

City Attorney Robert Bauman stated that one of the purposes of the meeting was to consider a proposed lease between the Commission and the West Lafayette Redevelopment Authority ("Authority"). The proposed lease between the Authority and the Commission is for the lease of a fire station ("Project") in, serving or benefiting the Kalberer/Cumberland/Blackbird Economic Development Area in the City. The City

Attorney presented a form of such proposed lease, and stated that the lease provides for annual rentals according to a schedule attached to the lease, payable from Tax Increment, on a parity with the Outstanding Obligations (as defined in the Lease) collected in the Kalberer/Cumberland/Blackbird Allocation Area, and, to the extent Tax Increment is not sufficient, from a redevelopment district special benefits tax levy. He also stated that it granted an option to the Commission to purchase the Project on certain conditions after the elapse of a specified period of time, and that the lease will run for a period not to exceed eighteen (18) years from the date of completion of the Project. He stated that before the Commission can enter into this lease it will be necessary for the Commission to hold a public hearing on the lease. The lease was examined by all members of the Commission and its terms and provisions discussed.

Mr. Bauman said what we're asking for today is the approval of the Resolution which is merely a tentative approval of the lease so that we can then set another meeting and have a public hearing to get additional information and input and decide whether to confirm it.

Mr. Oates said I want to make sure we don't get the cart before the horse. I think we've got a lot of steps that are going on here. Not only are we talking about a bond issue, but I'm assuming that we're also talking about a location for that fire station at the same time. I just want to make sure that we have a full discussion here about what's going on here so it doesn't come back later that this was something done without public input. We've been talking fire station, fire station, fire station for a number of months. We've not been talking location other than it was going to be within the City. My read on some of this stuff is that we definitely need to talk about where these locations are and how they're going to impact, not only the City as a whole, but the TIF districts. Mayor Mills said we're ready to have a thorough discussion today. Mr. Oates said okay, please.

Mr. Belter said let's start with the plan, the location. Mayor Mills said I'd like to start. I've given you today the annexation fiscal plan. When we decided to annex those 1173 acres, we realized that we were probably going to have to build a new station that would cover that very big area that we were annexing. So you all got that today; I wasn't sure whether the Redevelopment Commission had ever seen the annexation fiscal plan. That's the basis for the ability to provide services to all that's in the area including police and fire, of course. I'll just add that one of the important aspects of the annexation for the City is we are going to have the ability to provide service to a larger area with just a little increase in overhead, we're going to be able to provide that service. It's going to actually lower the property tax rate for everyone in the entire City. It's an important movement on the City's part, not only to grow, and some control in how we grow in that area, but we're actually stabilizing/lowering our property tax rate for every tax payer in the City by doing that. Basically more people are paying for the same amount of service that we now have.

Mayor Mills continued with we have been looking at a location for a fire station and whether we have to build a new fire station since this annexation process began and still can talk a little bit about the number of practice runs they did from Station No. 2

going all out to that area. I think Dave (Buck, City Engineer) has given you some great descriptive diagrams that he's going to talk about in a minute. But, this has been a very long process for us. One we've really been working on all last year. We've been looking for the perfect location. We talked first with PRF (Purdue Research Foundation); Dave will talk about putting the fire station in the new phase of the Research Park, and all the reasons why we now think that is not the best location for it. The way for us to easily finance this is to use that TIF district. As we've found with other projects in the Research Park or other projects in that general area, you can use the TIF dollars to finance a project like this, if the project benefits the district and this absolutely will benefit this TIF district—the Kalberer/Cumberland/Blackbird TIF district where the Research Park is. Close to half, certainly a third, of that newly annexed area is the third phase of the Research Park and there is already development that's starting—there's a child care facility planned on the north side of Kalberer, which you've heard about before. There are other new buildings planned in the final stage of Phase II, and we're ready to start cranking the buildings out north of Kalberer. The Research Foundation has been working very closely with two companies; there are really good projects in the works, so I think we'll see building going on north of Kalberer very soon. Again, this fire station is going to back up an entire district and I think you'll see that very clearly when Dave talks about the locations. The amount of time and effort that he is still putting in to establish where the best property is for this station and why we now think our recommended site is the place we need to be.

Mayor Mills said before he goes through all that, I will say that we have had incredible cooperation with two property owners. When we approached them about seeing if we could work a deal so that land would be available for a fire station, we had a lot of convincing to do, but they see the benefits particularly for the City of what a station would do there and they're willing to work with us. We have worked very steadily since right before Thanksgiving on the particular site we're talking about; back and forth with the church. Dave will give you a more thorough time line, but we just heard that at the end of January they would be willing to do this exchange of property for that site. We have been working very quickly in the last two weeks to put all this information together so you'll have a chance to look at it so we can talk about it publicly and the reasoning behind this particular location. Dave has done a wonderful job working with Phil (Drew, Fire Chief) to identify all the issues and put it all down on paper so we can really see what our options are. I'm going to stop and let Dave take over because he's done the lion's share of the work and I think he's put together a great project description.

Mr. Buck said I'm going to work off the document, Fire Station No. 3 Project Study & Site Evaluation, which I've passed around. (Copy of document is attached to the minutes.) Mr. Buck gave a detailed presentation and explanation of each section of the study which was compiled by the City Engineer's Office with assistance from the Fire Department and other City Departments. The evaluation examined potential locations to determine the optimal location to construct a third fire station. Based on the analysis, option 4 – the North side of Kalberer Rd. (500' west of Soldiers Home Road) was recommended as the site that best met the desired capabilities for both the existing and future developments within the annexation area.

A lengthy discussion followed the presentation.

Mr. Oates and Ms. Hoyer discussed the impact to the residents near the proposed site.

Mayor Mills said we have just gotten to the point of having an agreement with the church (Maple Ridge Community Church, land owner) two weeks ago. This is the start of an entire public process. We know that it is always a possibility that it would not be approved. Mr. Buck said the word is getting out that this is a possibility; this is the start of the process.

Mr. Oates said what my hesitancy is here, we're starting this discussion, but I'm also being asked to approve a bond issue for payment of something that we don't know if it's ever going to come to fruition at this place. I understand we have this very, very fast time line.

Mayor Mills said whether part of that property is used for the fire station or part of the planned development, or the fire station and green space—a park, that's where we think the fire station needs to go. We intend to move forward with the fire station regardless of the outcome of the other deal. Mr. Oates said that's what I'm saying, does the City have the wherewithal to buy the entire eight acres if that becomes the situation?

Mr. Oates said I think it's very important that as we have this discussion that exhibit No. 12 (Fire Station No. 3 Project Study & Evaluation) is not a done deal one way or the other, that the City may be buying all six acres and making a six acre fire station or whatever. When I flipped through this thing, that's what I looked at right away. This is nice, but it sure looks like the developer is getting a whole lot of stuff and the City's helping it along and I just want to make sure that the folks in University Farms and the other neighboring subdivisions up there realize what's going on first off and secondly that the Redevelopment Commission's not just out there throwing out money to change zonings in different places in the City just on a willy-nilly basis, especially when they've had displeasure against it in the past.

Mr. Buck said we are appraising the land on both scenarios. Obviously the land cost to buy 6 ½ acres is going to be much higher – 2 – 2 ½ is really what we're talking about; it might be a little less than 2 ½, closer to 2. This is the proposed draft plan to begin discussions on a rezone. We could simply add an exhibit 13 that shows option B if the rezoning doesn't occur. There would need to be a special exception for that. We want to be committed to this site and get this process going because the time line for construction and building plans is going to take us into June. As I mentioned earlier, August 17th is the anniversary date of the annexation and services need to begin. We're going to be looking at some temporary facilities to house the fire truck and firemen as we're building this. We're going to get as far as we can, but the reality of getting it done by August 17th is very small. I think we can get it done in 2007.

Mr. Nay said it appears to me that your basic premise of service area is 1 ½ miles, it's great as far as a homeowner is concerned; that affects my insurance rates and should be considered as public information about the insurance. I would ask the Chief (Phil Drew, Fire Chief) how does this criteria for service areas compare to Lafayette's? Chief Drew said it's about the same, 1 ½ - 2 ½ miles—2 ½ miles for a ladder truck, 1 ½ miles for a regular truck. Mr. Nay said that's not the way their stations are laid out. Mayor Mills said they just got the lowest ranking for ISO (Insurance Service Office) ratings in the State of Indiana; Lafayette did. Mr. Belter said and low is good. Mayor Mills said they're one of forty communities in the country with this ISO rating. Mr. Oates asked what's our current ISO rating? Chief Drew answered 6. It's been several years since our City has been reevaluated. When the third fire station is in place would be the time to have it reevaluated. Mr. Nay said I see so much overlap between Station No. 1 and Station No. 2 and between almost any of the proposed stations No. 2 and No. 3. That overlap, seems to me, not to be optimal. Now granted you have different kinds of trucks coming from the different stations, but there is an awful lot of overlap. Mr. Buck said this is just a part of the equation of the ISO rating—the number of firemen that you have, the ability to staff each shift. Location is just 30% of the overall equation; it includes response time, equipment, number of personnel on duty, water supply; the whole thing. Chief Drew said it's not the size of the station; it's the number of people on duty per day. There's a big difference between Lafayette and West Lafayette and that accounts for a good portion of the increase in their rating. West Lafayette will not get a 3 rating. Mr. Nay said without bigger stations and more staff and a bigger budget. Chief Drew said not without tripling our fire department budget. Mr. Nay said that's important to the public.

There was continued lengthy discussion about the ISO ratings. Chief Phil Drew explained the characteristics of the criteria to determine the rating. He stated that right now our average response time is 2 ½ minutes.

Mr. Nay said I personally feel that if it's insurance ratings and response time issues that are taken into account, they should have a higher priority than the cost. If we use TIF funding, I think it would be more prudent to spend money now when costs are less than to try and use cost as a big factor—given that the funds are available, than to compromise safety, medical runs and the ISO for all of our insurance costs.

Mr. Oates asked do we have the estimated costs on this? Let's say we do option 4, what are the costs? Mr. Buck answered those have been estimated for Option 4. Rough estimates have been made for the other options but not as detailed and refined as Option 4. Mr. Oates said according to this on page 16, we'd probably be looking at \$180,000 to buy the land. Mr. Buck said 2 ½ acres. Mr. Oates said what if we build it on 6 ½ acres. Mr. Buck said the 2 ½ acres is not all of the \$180,000 for land acquisitions. Mr. Oates said what would be the cost if we bought all 6 ½ acres? Mr. Buck answered probably another \$200,000 to \$300,000 higher than that, but we'd have to get an appraisal to know. Mr. Oates said how about Option 5? What's the cost of that? That seems to be just a stone's throw away and we're not mired in this messy extravaganza of getting a zoning change for somebody else. Mr. Buck said we wanted to have a site that does have access on two arterials. Mr. Oates said well, neither does this site (Option 4).

Mr. Buck said I did not go over that, but the commercial lot as part of the planned development would have an access easement through it to provide return access and staff access for the shift change for the back of the fire station through that development. That's not shown on that drawing, but it has been a part of our discussions and definitely would be a part of any rezone or development on that lot. If the whole 6 ½ acres is bought, the station would probably be close to the corner and provide for direct access in leaving the development—Soldier's Home and Kalberer.

Mr. Nay said I really appreciate this analysis. It is very thorough and very helpful. Fortunately, we're not the ones that have to make the location decision—it's going to be tough. Chief Drew said concerning the location, there are several factors to consider. Considering what the present state of development is and we're considering what the future development is going to be and we're also considering what's available to us. We can pick an ideal location for the fire station for the next five years. How does that compare down the road, fifteen from now? Or, do we go to the other side, and say here's what we project, let's build a fire station over here because 20 years from now that might very well be the best location. We need to try and mix those, and this one location does a good job of that. Mr. Nay said however, the Mayor made a point that we don't intend to annex to the west of Salisbury and the North of Kalberer to which I say never say never. In fact, I clearly expect it to. I personally think once US 231 is in, we're going to go west. The further west there is of Station No. 3 is a good thing. Mr. Buck said we did discuss that potential.

Mr. Nay said that the point I'd like to make about that is that park land and fire station land is a whole lot cheaper now than it will be when you have to balance all these factors after development begins. If there's any way at all we can look 20 years in the future and get some park land and some fire station land to the west in reserve, I think that would be very prudent.

Mr. Oates said getting back to the point; we're not choosing the space. The proposed lease agreement that we're going to approve in this resolution specifically says where this fire station is going to be. Mr. Bauman said this is tentative approval so that we can have a public hearing and continue the process. Mr. Oates said my question on the lease is why, if it's just a tentative one, why are we even putting a location in for right now, until we have that public hearing down the road? Mr. Bauman said I included that because that's the current proposal and what their analysis is and I think they've explained to you why that is their analysis and the different considerations went in to it. Mr. Bauman said it's not finalized yet. Ms. Hoyer said we won't finalize it until after the public session, correct? Mr. Bauman said correct. Mr. Oates said my point is, I would be willing to do something like that on the lease if we eliminate Exhibit A, Exhibit B and I guess it would be Exhibit C. It's not marked as to where the proposed location of this fire station is going to be. I think it's extremely important to get the public's comment as to where this location's going to be and what the public thinks is the location that will best benefit this Project. Mr. Oates said because I look at Option 4 and Option 5 and I don't see a whole lot in the way of difference between those two and it sounds as if they both can serve that area fairly equally.

Mr. Belter said I'd like to propose since we've moved from Dave's presentation and some of the questions that Phil is answering could now get into specifics of the **Resolution RC 2007-5**, I'd entertain a motion to adopt the resolution. Ms. Hoyer made a motion to approve Resolution RC 2007-5. Ms. Damico seconded.

Mr. Belter said we're already getting to some of your (directed to Mr. Buck) suggestions, and I'll approach the attorney (City Attorney, Bob Bauman) to make sure I'm interpreting this correctly. In the Resolution, it says the Commission approves the terms and conditions of the proposed form of lease and that will be the basis for a hearing. It does not say we approve the lease or the details of the lease. Mr. Oates if we approve the terms and conditions, we're also approving the conditions which include Exhibit A, B...Mr. Bauman said specifically, it says that we'll have a public hearing to determine that the service provided by the Project will serve the public purpose of the City and are in the best interest of its residents; so that the Commission may determine to execute such lease as *now written or as modified*. It specifically contemplates that we make some changes before we arrive at that point. Mr. Oates said if this is just for the discussion with the public, why do we even put Exhibit A, B into it? Mr. Bauman said I put it in because that is the recommendation of the staff, including the Fire Chief and Mr. Buck, who have done this very detailed study. This is not the first time he has done this type of very detailed study. He does have a wealth of professional experience in assessing and analyzing those factors in terms of recommending a location.

Mr. Oates said if the proposed lease includes Exhibits A and B, I would be unwilling to vote for its passage. Ms. Damico said could we wait? Mr. Bauman answered we would be off at least a month on the Department of Local Government Finance Agenda and at this point completing the financing will determine when we begin construction. It will move the timeline on the start of construction on the station at least a month. Ms. Damico said even compared to approval of a location being considered without a location being specified. Why would that make a delay? Mr. Bauman said if you don't have an approval of the resolution....Mr. Oates said no location necessarily has to be approved in this Resolution. Mr. Belter said personally, it doesn't make any difference to me and I don't have any trouble with the way it's presented and if I'd been drawing it up, I would have drawn it up the same way they had drawn it up. It makes no difference in the Resolution, but if it makes you more comfortable, Larry, I don't have any trouble with, on Exhibit A; the simple sentence could be *the description of the Project will be written in*. On Exhibit B, we can eliminate "see attached plat showing the location of the fire station" and substitute for it the sentence, *the plat will be attached*. We're not approving the content of the Exhibit A; we're not approving the content of Exhibit B. We're approving the resolution as it is, but if it makes a difference to you... Mr. Bauman said that will work in terms of the original submission to the Department of Local Government Finance; if we don't have a specific location.

Mr. Oates made a motion to amend the Resolution RC 2007-5 to specifically amend the lease agreement as proposed, by deleting the line in the Exhibit A that states Fire Station No. 3 located on Kalberer Road as shown on Exhibit C and deleting the line

in Exhibit B that says see attached plan location of fire station, and deleting the attached plan for Fire Station which is correctly shown as Fire Station No. 3, site study Exhibit 12. Eliminate those three things.

Mr. Belter said I take that as a proposed amendment. Mr. Nay seconded. Mr. Belter said is there any discussion of the proposed amendment? The amendment passed unanimously 4-0.

Mr. Belter said going back to the Resolution RC 2007-5, is there other discussion of the content of the resolution?

Mr. Oates said we're going to build a fire station. I'm positive of that. We have to build a fire station, but when we get five "Whereases" down or so (*referring to Resolution No. RC 2007-5*) that it's not expected to exceed \$4.13M, is that a realistic number at this point? If we have to buy 6 acres of property, does that number need to be larger and if so, let's take care of it now rather than later. Mr. Buck said that number is conservatively high; we hope to be able to ask you to amend that number down when we get farther along with the plans, get the appraisals, get the development of the building plans and get the actual layout of the fire station. We've got some schematics that we've been working on to begin that process. Where it needs to go and how we do it can still be debated and discussed, and that's perfectly fine, but those efforts also have to begin and the sooner we can get those, the sooner we can break ground.

Mr. Oates said going back to page 16; you're showing \$3.5M. What I'm asking is, on the \$4.13M discussion, does that take care of any contingencies, like if we have to buy it all? Mr. Bauman said it takes care of some other things such as interest that accumulates on the Bond Issue, until the lease payment gets made. The lease payment can't be made until the station is up. There are other items in there, so it's not just the financing of the cost of the actual construction.

Mr. Treptow (Umbaugh & Associates) said for clarification, you might compare to page 2 of this report (Umbaugh Financial Report for the proposed \$4,130,000 Economic Development Lease Rental Bonds of 2007, February 16, 2007) to page 16 of the Fire Station No. 3 Project Study and Evaluation, you'll see that we've included from the construction of the Bond Issue for land; we've actually added a couple of hundred thousand dollars. Mr. Bauman said that was again based on the contingency of possibly having to buy an additional parcel. Mr. Treptow said we've included a high-side number by adding \$200,000. The design work, the construction, leased equipment, we've included a 10% contingency; whereas the report on page 16 shows 15% of that total is land and we broke out land separately by adding \$200,000 and that was 10% contingency. Our total for hard costs of \$3,469,000 was very close to the figure provided in the report. In addition to that, when you sell bonds, some additional items have to be included.

Mr. Treptow continued to give an in-depth explanation of the Umbaugh report outlining the estimated costs and funding process of the Bond Issue and repayment

options. (Report is attached to the minutes.) Mr. Treptow stated that with the outstanding Bond Issues of 2002 and 2005, the three Bond Issues together would have total debt service payments of about \$1,435,000 annualized. As the Bonds of 2002 and 2005 were paid off, the total debt service would drop off to the level of this Bond Issue alone. He also explained that the TIF revenue would gradually increase as the tax abatements roll off, the taxable assessed valuation of property in the TIF area increases producing more TIF revenue. Mr. Bauman said on that point, as we continue to see development in the Research Park, that TIF number will increase. Mr. Treptow said comparing the TIF Revenues to the debt service, you'll see the annual surplus will be about \$430,000 and gradually increasing. That's a 30-31% cushion that the TIF revenues are expected to be 30% higher than the total debt service payment with the 3 Bond Issues. This is conservative as there is more construction going to be happening that is not included in here.

Mr. Nay said I appreciate having this information. This has been a tremendously detailed presentation. I am interested in the Station being put in on time. I support it completely, but we need to state that approval with the lowest commitment we can so that it can stay on schedule. Because of our fiscal responsibility, if there's anything we can do, like we talked about striking these two Exhibits. If there's anything else we need to do, is it necessary to progress to put in this figure on the 5th "Whereas". Mr. Bauman answered yes, because the DLGF will base their hearing based on the petition and the petition has to have a number. That will be the maximum, we can reduce that, but that will be the maximum. Mr. Nay said that's the point. Is it prudent for us to put this low of a figure in given we don't know what's happening. Mr. Bauman said Mr. Buck has supervised the building of several fire stations and says that will work. Mr. Nay said have you ever seen a project funded this quickly that comes under budget? Mr. Buck said we're saying \$2.5M; we're not going to plan a \$2.5M fire station. We're going to plan a \$2 - \$2.5M fire station. It's a very conservative number. Mr. Oates said Earle's saying the same thing that I'm saying, we're not concerned about it coming in under budget, and we want to make sure that we're covering it, so that it can get built on time. Is this number realistic? Are you comfortable with that? Mr. Buck said yes.

Mr. Buck said Earle, I appreciate your comment about taking the time to do this right. That's why we were so late in getting this to you. We put a lot of effort in getting this to this point. We wanted to be able to give our best recommendations to answer those three questions. That's what we've done here today. We would be happy to take as long as you need to help us change that or go forward with it or do whatever we need to proceed.

Ms. Damico said in the realm of things that we haven't even thought to ask about, in constructing a fire station, would it be prudent to think about maybe a police substation, and if so, would that include construction costs? Mr. Buck said we have considered that as an option, as something to be considered or investigated further as we get into the design of the station. It would have an increase or impact on the design and the construction costs, but not significantly. They would have much of the same facilities. It would be a fairly minor impact—an extra parking space or two. Chief Drew

said something that's often overlooked, the idea of combining the police department and fire department in one building, economically it makes a lot of sense. But also what happens if something happens to that building—a tornado or the age of terrorism? We would lose everything at once, so for that reason, it's prudent to keep the facilities separate.

Mr. Bauman said as part of this process, we need to have a public hearing. The Bond Council has requested that we do that on March 5th and we need to set a time and fill that in on the resolution.

Ms. Rhodes said you're going to have the Public Hearing and ask the Council for approval on March 5th? Mr. Bauman said correct. Mr. Oates said my concern all day has been that we make sure that we have this information available so that the residents of those areas can come and make their comments on it.

The Public display of the site evaluation was scheduled for 5:30 p.m.

The Public Meeting was scheduled for Monday, March 5th at 6:00 p.m.

Mr. Belter suggested that the Fire Station No. 3 Project Study & Site Evaluation be posted on the City's website. Mr. Bauman said we'll get it on the website and we'll have some presentation materials and pass those out ahead of time so people can come in and look at them.

Mr. Oates made a motion to amend Resolution RC 2007-5 to make the Public Hearing time at 6:00 p.m. on the evening of Monday, March 5th. And that the final line, *"there being no further business to come before the meeting, the meeting thereupon adjourned"* be struck. Mr. Nay seconded.

The motion to approve the amendments to Resolution RC 2007-5 passed unanimously 4-0.

Mr. Belter asked is there any other discussion of the resolution? Mr. Oates said the resolution is with this proposed lease that Bob (Bauman, City Attorney) handed us today with Exhibits A and the language we struck on that. Exhibit B with the language we struck on that, and this picture being named part of Exhibit B but it says Exhibit 12 on it, also being struck on it. Mr. Belter said that was our agreement which was approved. Mr. Belter said are there any other questions or discussion about the resolution? There were none.

The motion to approve Resolution RC 2007-5 as amended passed unanimously 4-0.

There was no further new business.

Mr. Belter asked if there was any comment from the public. Councilor O'Callaghan said I appreciate all the work that all the departments have put in to this. Just a little comment about Exhibit 1 and the coverage that we currently have and

knowing that Chief Drew has often reminded us that we want to extend coverage. Even without the annexation that's something that we were thinking about. Realizing how there are so many options, there's no perfect answer—something that covers everything.

Mr. Nay said I don't think you're going to have any objections from the public, as long as they feel they are adequately informed. Councilor O'Callaghan said one final point is to thank the Commissioners for all the great discussion. It's something that was important for us in appointing Commission members and important for Mayor Mills. Of course, it's important that appointed Commission members that are people that would study the issues and not be a rubber stamp. I don't think any of the department heads would take it as degradation when they are questioned, but know that we appreciate the work that they do and validate them by that good question.

There were no further questions or comments from the public.

The Commission confirmed/scheduled the following meetings:

Monday, March 5th at 6:00 p.m.
Friday, March 23rd at 12:00 noon
Friday, April 13th at 12:00 noon

Mr. Oates made a motion to adjourn. Mr. Nay seconded. The meeting adjourned at 2:44 p.m.

Lawrence T. Oates
Recording Secretary

Approved:

Stephen E. Belter, President